

U.S. Commercial Service Mini-Market Brief on the Australian Publishing Industry

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Overview:

Australia represents the third-largest English-speaking book market after the U.S. and the United Kingdom. Australia offers an array of favorable demographics, which in turn increases the demand for books. Education is compulsory within Australia for children classified to be of compulsory school age by the individual States, with the average compulsory age range being 6 – 15 years. Compulsory schooling results in a literacy rate of almost one hundred percent.

The Australian Bureau of Statistics indicates that there are over 230 book publishers in Australia. These businesses sell over 128 million books annually. The majority of book sales (77%) are to retailers and other book distributors while the remaining 23% of sales were directly to the consumer. Demand totals US\$1014m.

Current Market Trends:

Within the publishing industry in Australia, a key trend is the increasing demand for electronic books. There has also been a reduction in the average expenses per publisher and more importantly the average selling price of books has fluctuated. Imported titles continue to be more expensive than Australian titles, as the average price for imported titles have increased (US\$10.26) whereas the average cost of Australian titles has reduced (US\$6.83). Future growth is forecast for computer, business and self-help books as Australians are increasingly referring to books for assistance with information technology and the use of the Internet.

Main Competitors:

Most of the leading publishers in Australia are subsidiaries of U.S., U.K. or European companies. These include Random House, HarperCollins, CCH, and McGraw-Hill Education. Smaller local publishers serve specialized niche markets. Membership of the local Australian Publishers Association totals over 160 firms, which in turn, represents 91% of the industry (based on turnover figures).

Current Demand:

The local industry supplies sixty eight percent of the domestic market demand, with the value of annual production totaling US\$353 million. Highest demand within the Australian market is for education books, which includes both professional and reference books followed closely by general non-fiction books. These markets accounted for US\$394m and US\$363m of sales respectively in 2004. Fiction books are also in demand within the Australian market. Sales of Australian titles are higher than those of imported titles in educational texts and general texts (non-fiction, fiction and children's).

Barriers:

As a result of the Free Trade Agreement between the United States and Australia (FTA) enacted in January 2005, books are duty free. However, books are subject to a Goods and Services Tax (GST) of ten percent, which is applied to most goods upon entry into Australia.

One exception to the GST is the educational book category. To obtain the exemption, books must appear on the syllabus of a school or university course. Under the FTA, Australia's intellectual property rights laws have been strengthened to include the extension of copyright from 50 to 70 years.

Finally, it is essential for U.S. publishers to recognize that Australians use spelling standards based on United Kingdom spelling. Early childhood educators in particular are increasingly promoting spelling standards for young children, with standards derived from the Macquarie Dictionary.

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Australian Booksellers Association (ABA) Annual Conference 2007

June 17 –19, 2007

Melbourne, Victoria

Venue: Hilton on the Park

Refer to above for contact details

Visiting International Publishers Program

An initiative of the Australia Council for the Arts to strengthen the links between Australian and overseas publishing houses and literary agencies.

Australia Council for the Arts

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